

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 /080 W

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 2852

INFO AMEMBASSY LONDON

AMEMBASSY VIENNA

USMISSION EC BRUSSELS

AMEMBASSY BELGRADE

AMEMBASSY BERLIN

USMISSION BERLIN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION NATO

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DEPT PASS COMMERCE AND TREASURY

E.O. 11652: NA

TAGS: EEWT, EFIN, CEMA, UR, US

SUBJECT: TRANSFERABLE RUBLE IN EAST/WEST TRADE?

1. SUMMARY: WE HAVE BEEN INFORMED OF A PROPOSAL BY THE
CEMA INTERNATIONAL BANK FOR ECONOMIC COOPERATION (IBEC) THAT
THAT "TRANSFERABLE" RUBLE BE USED IN EAST-WEST AS WELL AS
INTRA-CEMA TRANSACTIONS. WE HEARD THIS FIRST AS A RUMOR
IN DECEMBER. OUR BANKING CONTACTS HAVE NOW PICKED
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UP THE REPORT WHICH NEITHER THEY NOR WE HAVE BEEN
ABLE TO CONFIRM. OUR BANKING SOURCES COULD ALSO NOT
SAY WHETHER IBEC "RECOMMENDATION" HAD BEEN ACCEPTED
BY CEMA MEMBER GOVERNMENTS, BUT HE FELT THAT INNOVATION -- IF IT
SHOULD TAKE PLACE -- COULD STIMULATE TRADE. END SUMMARY.

2. LOCAL CHASE-MANHATTAN REPRESENTATIVE TELEPHONED

E/C COUNSELOR JANUARY 7 TO ASK IF WE WERE AWARE OF A REPORTED CEMA/IBEC PROPOSAL TO USE TRANSFERABLE RUBLE IN EAST-WEST TRADE. SOURCE SAID THAT HE HAD HEARD PROPOSAL WAS SOMETHING MORE THAN MERE "RECOMMENDATION", BUT COULD NOT CONFIRM AUTHENTICITY OF REPORT OR DEFINE CURRENT STATUS OF PROPOSAL. HE COMMENTED THAT SOVIET ENDORSEMENT OF IDEA, IF FORTHCOMING, WOULD PRESUMABLY PROMOTE ITS ACCEPTABILITY ELSEWHERE IN CEMA AREA.

3. BASIC UTILITY OF TRANSFERABLE RUBLE IN EAST-WEST TRADE, SOURCE THOUGHT, WOULD BE TO FACILITATE MULTI-LATERALIZATION OF TRADE. ALTHOUGH OBLIGED TO SPECULATE ON HOW PROCEDURE WOULD WORK, HE THOUGHT IBEC COULD CREDIT WESTERN SELLER IN TRANSFERABLE RUBLES WHICH HE COULD USE FOR PURCHASES ANYWHERE IN CEMA AREA. AT FIRST BLUSH, SOURCE FELT IDEA WAS AN INTERESTING ONE WHICH MIGHT STIMULATE TRADE.

4. COMMENT: LOCAL CHASE-MANHATTAN REPRESENTATIVE IS KNOWLEDGEABLE BANKER WHO IS USUALLY SPARSE IN PROVIDING INFORMATION AND DOES NOT DEAL IN GOSSIP.

SOVIET FINANCIAL AUTHORITIES, WHO CHARACTERISTICALLY ARGUE THAT TRANSFERABLE RUBLE SERVES ALL THE NEEDS OF INTRA-CEMA TRADE, SOMETIMES, IN TONES OF IRONY, CHALLENGE WESTERN COUNTRIES TO JOIN CEMA (I.E., INSTEAD OF USSR JOINING IMF). WE HAD PREVIOUSLY HEARD RUMORS OF THIS PROPOSAL, BUT HAVE NOT BEEN ABLE TO CONFIRM THEM. IF LIMITED OFFICIAL USE

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VERIFIED, IT WOULD REPRESENT A STEP IN THE DIRECTION OF ALLOWING SOME WESTERN ASSOCIATION, ALBEIT A MINOR AND UNDERTAIN ONE, IN CEMA AREA INSTITUTIONS. WE WILL, OF COURSE, CONTINUE TO TRY TO VERIFY THIS REPORT AND, IF IT IS CORRECT, SEEK TO IDENTIFY ITS CURRENT STATUS. IT STRIKES US AS A POSSIBLE ATTEMPT TO STIMULATE COMPENSATION OR "INDUSTRIAL COOPERATION" PROJECTS BY MAKING THIRD COUNTRY PARTICIPATION MORE FEASIBLE. IT WOULD BE INTERESTING TO KNOW HOW READY CEMA STATES MIGHT BE, IN THE FINAL ANALYSIS, TO SELL TO WESTERN BUYERS FOR PAYMENT IN A UNIT OF ACCOUNT (THE TRANSFERABLE RUBLE), INSTEAD OF IN HARD CURRENCY.

DESPITE THE COMMENTS OF CHASE-MANHATTAN REPRESENTATIVE, WE ARE SOMEWHAT SKEPTICAL THAT SUCH AN "INNOVATION" WOULD PRESENTLY BE OF MUCH INTEREST TO US EXPORTERS, SINCE THE GOODS WHICH CEMA STATES WOULD SELL FOR TRANSFERABLE RUBLES WOULD PRESUMABLY BE THOSE WHICH THEY COULD NOT SELL FOR DOLLARS. THIS MIGHT DEPEND, TO SOME EXTENT, ON WHERE TRANSFERABLE RUBLE ACCOUNTS

COULD BE HELD AND IF THEY MIGHT BE TRADED. TOON

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 08-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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